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REPORT

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SOURCE Shen Pao.

The Finance Ministry issued the following regulations on 16 March 1949 to regulate trading in gold bullion.

1. All trading in gold bullion shall be done through the Shang-hai Gold Exchange.
2. All exchange shops shall have their permits reinspected and passed before engaging in trade in gold bullion.
3. All transactions shall be in actual metal. Ten ounces shall be a trading unit. Dealings shall be open and over the counter. There shall be no dealings outside the exchange.
4. Traders shall not engage in speculation.
5. No broker shall send more than two representatives to the exchange at a time. They shall be provided with identification furnished by the Exchange, and no other persons shall be admitted.
6. Trading hours shall be from 0930 to 1200 and from 1300 to 1500. The Exchange will not be open on Sundays and holidays. All transactions shall be completed on the day initiated and all traders shall assume full responsibility for their transactions.
7. Trading fluctuations for any half day shall not exceed 10 percent above or below the closing rate of the preceding half day. Should the fluctuation exceed 10 percent, trading shall be stopped.
8. No interest shall be added to the principal on deals concluded in the afternoon trading.
9. Bars poured by gold exchange shops shall be 99 percent fine. Any exceeding this fineness shall be at a premium in dealing and those of inferior quality shall be at a discount in trading. In the latter case, the seller shall be responsible for the discount.

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10. The Exchange shall not charge commissions or other fees of the traders. The expenses of the Exchange shall be maintained by the pro-rata contributions of the gold shops who hold membership in the Exchange.

11. No gold shop shall have more than one direct telephone line to the Exchange, and the telephone must be located in the business office of the shop.

12. Gold shops engaged in trading shall organize a board of directors to control the operations of the Exchange.

13. When these regulations have been adopted by the members of the Exchange, the Exchange shall notify the authorities having jurisdiction. Notification shall also be given in case of changes.

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